

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - x
UNITED STATES OF AMERICA :
- - - - -

- v. - : 08 Cr. ()

ARASELY CARABALLO, :
- - - - -

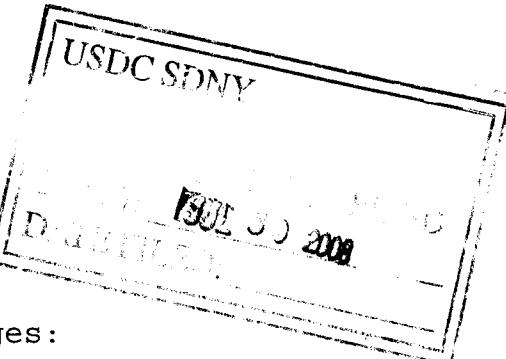
Defendant. :
- - - - - x

08 CRIM 704

INFORMATION

COUNT ONE

(False Statements)



The United States Attorney charges:

Background

1. At all times relevant to this Information, MLK Pharmacy was a pharmacy located at 568 West 125th Street, New York, New York, and was enrolled in the New York State Medicaid Program as a service provider.

2. The Medicaid Program is a federal and state funded program that serves needy individuals and families who meet specified financial and other eligibility requirements, and certain other individuals who lack adequate resources to pay for medical care. The Medicaid Program provides payment for medical services and products ranging from routine preventive medical care for children to institutional care for the elderly and disabled. Among the specific medical services and products covered by the Medicaid Program are prescription drugs.

3. At all times relevant to this Information, Dinesh

Judge McMahon

Shah was the owner of MLK Pharmacy.

4. At certain times relevant to this Information, ARASELY CARABALLO, the defendant, was employed as a pharmacy technician at MLK Pharmacy.

The Fraudulent Scheme at MLK Pharmacy

5. As a Medicaid enrolled pharmacy, MLK Pharmacy purportedly dispensed prescription drugs to Medicaid beneficiaries, submitted claims to the Medicaid Program for reimbursement for those drugs, and received payments from the Medicaid Program.

6. Between in or about June 2002 and in or about February 2007, Dinesh Shah, and others known and unknown, engaged in a scheme to defraud the Medicaid Program of approximately \$2.1 million by fraudulently obtaining reimbursements from the Medicaid Program for prescription drugs which were not in fact dispensed to Medicaid beneficiaries.

7. While operating and working at MLK Pharmacy, ARASELY CARABALLO, the defendant, and others known and unknown, illegally purchased drug prescriptions from Medicaid beneficiaries in exchange for cash payments and/or other goods. The cash payments made by the defendant to the Medicaid beneficiaries were a fraction of the total reimbursement value of the prescription that the Medicaid Program would pay to MLK Pharmacy. After illegally buying prescriptions, CARABALLO, and

others known and unknown, submitted reimbursement claims to the Medicaid Program in which they falsely represented that the prescription drugs had been dispensed and requested reimbursement for the full value of those prescription drugs.

8. Through this scheme, MLK Pharmacy obtained the full value of the Medicaid reimbursement for the drug prescriptions, pocketing the difference between the Medicaid reimbursement and the amounts they paid to buy the prescriptions from the beneficiaries.

The Defendant's False Statements

9. Between on or about March 1, 2007 and on or about December 15, 2007, agents of the Federal Bureau of Investigation investigating Medicaid fraud at MLK Pharmacy interviewed ARASELY CARABALLO, the defendant, on two separate occasions. During those interviews, CARABALLO denied knowledge of the Medicaid fraud at MLK Pharmacy and denied participating in the fraud. In truth and in fact, as the defendant well knew, those statements were false.

Statutory Allegation

10. Between on or about March 1, 2007 and on or about December 15, 2007, in the Southern District of New York, ARASELY CARABALLO, the defendant, unlawfully, willfully and knowingly did make materially false, fictitious and fraudulent statements and representations in a matter within the jurisdiction of the executive branch of the Government of the United States; to wit, in two interviews conducted with, among others, a Special Agent of the Federal Bureau of Investigation, CARABALLO falsely denied any knowledge of, and any involvement in, a scheme at MLK Pharmacy to defraud the Medicaid Program by billing it for medications that were not dispensed to beneficiaries.

(Title 18, United States Code, Sections 1001.)

michael j. garcia
MICHAEL J. GARCIA *SSR*
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

ARASELY CARABALLO,

Defendant.

INFORMATION

08 Cr. ()

Title 18, United States Code, Sections 1001 and 2.

MICHAEL J. GARCIA

United States Attorney.

7/30/08 Filed Information & Waiver
of indictment. Def. Pres. Wally Martin Siegel
AUSA William Stellmack & Correspondent Pres.
Def. filed Consent to Proceed before Mag. Judge.
Def. Withdraws not guilty plea. Enters guilty plea.
Def. cont'd. PSI ordered. Def. set for 11/5/08
I Mag. J. lat